

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement
the California Renewables Portfolio Standard
Program.

Rulemaking 04-04-026
(Filed April 22, 2004)

**ASSIGNED COMMISSIONER'S RULING
ADOPTING 2006 TRANSMISSION RANKING COST REPORTS**

The 2006 Transmission Ranking Costs Reports (TRCRs) are adopted.

Background

Transmission costs are considered in the least cost/best fit ranking of bids submitted by prospective sellers of electricity generated from renewable resources as part of renewable portfolio standard (RPS) solicitations undertaken pursuant to Pub. Util. Code § 399.11 *et seq.* Decision (D.) 04-06-013 adopted a methodology for the development and consideration of these transmission costs. It ordered Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) to prepare TRCRs based on the approved methodology. It also delegated assessment of the adequacy of each TRCR to the Assigned Commissioner. By Assigned Commissioner Ruling (ACR) dated September 10, 2004, the 2004 TRCRs were adopted as filed by each company.

D.05-07-040 modified the transmission cost methodology in part. It ordered PG&E, SCE and SDG&E to use the modified methodology for their 2005 TRCRs, and delegated assessment of the adequacy of each 2005 TRCR to the

Assigned Commissioner. By ACR dated November 21, 2005, the 2005 TRCRs were adopted as filed.

D.05-07-039 conditionally approved each utility's 2005 procurement plan. It also stated the Commission's expectation that utilities would file their 2006 draft procurement plans based on a schedule to be set by the Assigned Commissioner, in order to move toward a calendar-year solicitation cycle.

The schedule for the 2006 solicitation was set by ruling dated November 9, 2005. PG&E, SCE, and SDG&E were directed to file their draft 2006 RPS procurement plans on December 22, 2005, and their draft TRCRs on March 15, 2006. SCE requested and received a short extension for filing its TRCR. Consistent with the schedule, however, each utility filed its draft TRCR in March 2006. Comments on the draft TRCRs were due by April 4, 2006. No comments were filed.

On April 25, 2006, a draft decision was filed conditionally approving the 2006 procurement plans. The draft decision will be considered by the Commission at its May 25, 2006 meeting.

Discussion

The 2006 RPS solicitation will likely begin shortly after a decision on the 2006 procurement plans is adopted by the Commission. It is reasonable to consider the TRCRs now, in order to have this element of the process completed and ready for the next solicitation cycle.

No party objects to the adoption of the TRCRs as filed by each utility. Each TRCR should be adopted.

IT IS RULED that:

1. The following Transmission Ranking Cost Reports are approved for the purpose of ranking bids in the next solicitation of generation from renewable resources:

- a. 2006 Transmission Ranking Cost Report of Pacific Gas and Electric Company dated March 15, 2006,
- b. Transmission Ranking Cost Report of Southern California Edison Company dated March 27, 2006, and
- c. Transmission Ranking Cost Report of San Diego Gas & Electric Company dated March 15, 2006.

2. This ruling shall also be served on the service lists for:

- a. Investigation (I.) 00-11-001 (investigation into implementation of Assembly Bill 970 regarding transmission and distribution constraints), and
- b. I.05-09-005 (investigation to facilitate proactive development of transmission infrastructure to access renewable resources).

Dated May 17, 2006, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Adopting 2006 Transmission Ranking Cost Reports on all parties of record in this proceeding, and in Investigation (I.) 00-11-001 and I.05-09-005 or their attorneys of record.

Dated May 17, 2006, 2006, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

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